

**ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2003**

	December-03					September-03				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Quarter	Month	Net ROR	Market Value	Allocation	Quarter	Net ROR	Net ROR	Net ROR	6/30/2003 Net	6/30/2003 Net
		Actual	Policy	Net ROR			Actual	Policy					
LARGE CAP DOMESTIC EQUITY													
<i>Structured Growth</i>													
LA Capital	59,429,333	4.5%	4.5%	9.09%	2.11%	54,433,606	4.5%	4.5%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	N/A	-1.48%	-20.46%	-5.64%
Total Structured Growth	59,429,333	4.5%	4.5%	9.09%	2.11%	54,433,606	4.5%	4.5%	6.61%	16.31%	-1.48%	-20.46%	-5.64%
Russell 1000 Growth				10.41%	3.46%				3.92%	14.74%	2.93%	-21.55%	-5.04%
<i>Structured Value</i>													
LSV	65,556,517	5.0%	4.5%	15.58%	5.58%	56,852,843	4.7%	4.5%	3.33%	19.42%	-2.05%	9.06%	3.95%
Russell 1000 Value				14.19%	6.16%				2.06%	16.54%	-1.02%	-2.19%	-0.17%
<i>Enhanced Russell 1000 Index</i>													
LA Capital	61,506,658	4.6%	4.5%	11.77%	4.38%	55,020,114	4.6%	4.5%	2.87%	14.98%	1.08%	N/A	N/A
Russell 1000				12.26%	4.79%				3.00%	15.63%	0.96%	N/A	N/A
<i>Enhanced S&P 500 Index</i>													
Northern Trust	58,209,002	4.4%	4.5%	12.40%	5.46%	51,778,887	4.3%	4.5%	2.50%	15.21%	0.28%	N/A	N/A
Strong	60,017,398	4.5%	4.5%	12.76%	5.50%	53,231,843	4.4%	4.5%	2.89%	16.02%	3.30%	N/A	N/A
Westridge	63,419,893	4.8%	4.5%	12.22%	5.24%	56,514,305	4.7%	4.5%	2.65%	15.19%	0.56%	N/A	N/A
Total Enhanced S&P 500 Index	181,646,293	13.7%	13.5%	12.46%	5.40%	161,525,035	13.4%	13.5%	2.68%	15.47%	1.35%	N/A	N/A
S&P 500				12.18%	5.24%				2.64%	15.14%	0.24%	N/A	N/A
<i>S&P 500 Index</i>													
State Street	41,161,194	3.1%	3.0%	12.16%	5.24%	36,694,194	3.0%	3.0%	2.64%	15.12%	0.31%	-11.14%	-1.58%
S&P 500				12.18%	5.24%				2.64%	15.14%	0.24%	-11.20%	-1.61%
TOTAL LARGE CAP DOMESTIC EQUITY	409,299,996	30.9%	30.0%	12.31%	4.77%	364,525,793	30.3%	30.0%	3.02%	15.70%	0.49%	-9.68%	-2.32%
S&P 500				12.18%	5.24%				2.64%	15.14%	0.24%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY													
<i>Manager-of-Managers</i>													
SEI	138,627,573	10.5%	10.0%	14.87%	2.39%	126,781,889	10.5%	10.0%	9.68%	25.99%	0.68%	N/A	N/A
Russell 2000 + 200bp				15.07%	2.20%				9.60%	26.12%	0.37%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	138,627,573	10.5%	10.0%	14.87%	2.39%	126,781,889	10.5%	10.0%	9.68%	25.99%	0.68%	-3.37%	-0.65%
Russell 2000				14.52%	2.03%				9.07%	24.91%	-1.64%	-3.30%	0.97%
INTERNATIONAL EQUITY													
<i>Large Cap - Core</i>													
State Street	57,022,569	4.3%	4.0%	14.32%	6.62%	50,017,192	4.2%	4.0%	6.08%	21.27%	-9.96%	-13.28%	-4.72%
MSCI EAFE - 50% Hedged				13.15%	5.76%				6.58%	20.59%	-11.24%	-14.65%	-4.18%
<i>Large Cap - Active</i>													
Capital Guardian	137,780,918	10.4%	10.0%	13.62%	5.70%	121,648,049	10.1%	10.0%	7.45%	22.07%	-11.30%	-14.96%	0.47%
Bank of Ireland	27,096,615	2.0%	2.0%	17.43%	7.54%	23,146,777	1.9%	2.0%	2.64%	20.53%	-10.28%	N/A	N/A
Total Large Cap - Active	164,877,533	12.5%	12.0%	14.22%	6.00%	144,794,826	12.0%	12.0%	6.65%	21.82%	-11.12%	-14.58%	0.74%
MSCI EAFE - 50% Hedged				13.15%	5.76%				6.58%	20.59%	-11.24%	-14.65%	-4.18%
<i>Small Cap - Active</i>													
Lazard	27,361,003	2.1%	2.0%	14.41%	5.50%	26,522,836	2.2%	2.0%	10.66%	26.61%	-2.32%	N/A	N/A
Wellington	27,311,308	2.1%	2.0%	11.59%	4.79%	27,825,562	2.3%	2.0%	17.22%	30.80%	5.97%	N/A	N/A
Total Small Cap - Active	54,672,311	4.1%	4.0%	12.90%	5.14%	54,348,397	4.5%	4.0%	13.94%	28.64%	1.75%	N/A	N/A
Citigroup Broad Market Index < \$2BN				13.31%	6.10%				15.95%	31.39%	3.91%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	276,572,413	20.9%	20.0%	13.97%	5.96%	249,160,415	20.7%	20.0%	8.04%	23.13%	-8.22%	-12.63%	-0.99%
MSCI EAFE - 50% Hedged				13.15%	5.76%				6.58%	20.59%	-11.24%	-14.65%	-4.18%
EMERGING MARKETS EQUITY													
<i>Capital Guardian</i>													
Capital Guardian	71,053,188	5.4%	5.0%	14.85%	7.28%	69,341,678	5.8%	5.0%	14.62%	31.64%	7.15%	-10.61%	1.62%
MSCI Emerging Markets Free				17.81%	7.25%				14.23%	34.57%	6.96%	-7.07%	2.49%
DOMESTIC FIXED INCOME													
<i>Core Bond</i>													
Western Asset	10,362,007	0.8%	0.9%	1.24%	1.25%	9,813,527	0.8%	0.9%	-0.47%	0.76%	13.42%	11.88%	8.58%
Lehman Aggregate				0.32%	1.02%				-0.15%	0.17%	10.39%	10.07%	7.54%
<i>Active Duration</i>													
WestAM (Criterion)	10,156,767	0.8%	0.9%	0.31%	1.10%	9,699,747	0.8%	0.9%	-0.40%	-0.08%	9.93%	9.39%	6.85%
Lehman Aggregate				0.32%	1.02%				-0.15%	0.17%	10.39%	10.07%	7.54%
<i>Index</i>													
Bank of ND	15,963,652	1.2%	1.1%	-0.10%	1.01%	15,583,901	1.3%	1.0%	-0.73%	-0.83%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	8,680,209	0.7%	0.7%	1.41%	0.47%	8,664,626	0.7%	0.7%	1.43%	2.86%	5.83%	5.84%	5.85%
Total Index	24,643,862	1.9%	1.8%	0.23%	0.89%	24,248,527	2.0%	1.8%	-0.21%	0.02%	10.77%	10.08%	7.44%
Lehman Gov/Credit				-0.03%	0.99%				-0.50%	-0.53%	13.15%	10.82%	7.83%

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	December-03					September-03				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter	Month	Net ROR	Allocation		Quarter	Net ROR	Fiscal YTD	FY03	Ended 6/30/2003 Net	Ended 6/30/2003 Net
	Market Value	Actual	Policy	Net ROR		Market Value	Actual	Policy					
Convertibles													
TCW	11,221,398	0.8%	0.9%	10.00%	3.72%	9,984,713	0.8%	0.9%	1.84%	12.03%	10.37%	-9.08%	N/A
<i>First Boston Convertible Index</i>				8.54%	2.79%				2.67%	11.44%	15.35%	-3.81%	N/A
BBB Average Quality													
Strong	10,263,580	0.8%	0.9%	1.47%	1.73%	9,899,987	0.8%	0.9%	0.16%	1.63%	14.81%	10.35%	N/A
<i>Lehman BBB</i>				1.22%	1.41%				0.27%	1.50%	18.33%	9.91%	N/A
Timberland													
Evergreen (Wachovia)	19,855,115	1.5%	1.5%	6.11%	-0.05%	18,287,910	1.5%	1.5%	-0.15%	5.95%	12.50%	N/A	N/A
												N/A	N/A
TOTAL DOMESTIC FIXED INCOME	86,502,729	6.5%	7.0%	3.16%	1.21%	81,934,410	6.8%	7.0%	0.11%	3.27%	11.62%	6.95%	6.77%
<i>Lehman Aggregate</i>				0.32%	1.02%				-0.15%	0.17%	10.39%	10.07%	7.54%
HIGH YIELD BONDS													
Western Asset	84,655,159	6.4%	7.0%	5.54%	2.32%	80,212,870	6.7%	7.0%	1.99%	7.63%	20.04%	2.51%	4.15%
<i>Lehman High Yield Bond Index</i>				5.91%	2.26%				2.77%	8.85%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME													
International Sovereign													
UBS Global (Brinson)	31,592,642	2.4%	2.5%	6.49%	4.68%	28,349,039	2.4%	2.5%	3.18%	9.88%	18.20%	8.47%	5.93%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				6.71%	4.77%				2.75%	9.64%	17.91%	8.10%	6.29%
International Core													
Brandywine	31,952,919	2.4%	2.5%	7.30%	4.91%	27,744,819	2.3%	2.5%	1.51%	8.92%	N/A	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				6.77%	4.89%				2.76%	9.72%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	63,545,561	4.8%	5.0%	6.91%	4.80%	56,093,858	4.7%	5.0%	2.34%	9.41%	17.83%	8.36%	5.86%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				6.71%	4.77%				2.75%	9.64%	17.91%	8.10%	6.29%
REAL ESTATE													
JMB	16,911			12.83%	12.83%	26,405			-8.75%	2.96%	-18.62%	-5.76%	0.42%
INVESCO	66,508,962			2.16%	0.88%	59,194,948			0.37%	2.54%	8.15%	8.00%	7.69%
J.P. Morgan	50,903,121			3.16%	1.18%	49,346,053			2.43%	5.66%	7.80%	7.36%	10.23%
TOTAL REAL ESTATE	117,428,994	8.9%	9.0%	2.63%	1.02%	108,567,406	9.0%	9.0%	1.36%	4.03%	7.97%	7.69%	9.00%
<i>NCREIF TOTAL INDEX</i>				1.97%	0.65%				1.97%	3.98%	7.64%	8.51%	10.16%
ALTERNATIVE INVESTMENTS													
Brinson IVCF III	1,008,543			1.29%	2.09%	902,791			13.02%	14.48%	-16.94%	3.23%	52.67%
Coral Partners V	10,574,429			-1.26%	-1.26%	10,226,565			-6.88%	-8.05%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	526,087			-0.95%	-0.95%	532,012			-15.67%	-16.47%	-28.36%	N/A	N/A
Coral Partners VI	1,584,895			-4.63%	-4.63%	1,664,603			-12.18%	-16.25%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,801,507			2.36%	4.04%	1,866,448			4.07%	6.53%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	2,416,918			4.99%	4.99%	2,305,853			0.98%	6.02%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	4,110,117			2.47%	2.30%	3,707,426			0.67%	3.15%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	1,259,705			-1.11%	-1.11%	1,275,982			0.43%	-0.68%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	851,947			-1.16%	-1.16%	863,431			12.21%	10.91%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	83,247			-0.24%	-0.24%	83,586			-3.58%	-3.81%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,156,512			5.58%	5.35%	1,262,624			6.32%	12.25%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	1,559,036			0.52%	0.52%	1,553,647			2.82%	3.35%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	857,016			1.18%	1.18%	848,452			7.50%	8.77%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	1,298,266			0.96%	0.96%	1,173,907			3.71%	4.71%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	221,543			0.05%	0.02%	76,355			-0.05%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	5,926,360			-3.67%	0.00%	6,162,420			-1.02%	-4.65%	-14.64%	-18.80%	N/A
Matlin Patterson Global Opportunities	13,881,362			10.99%	0.00%	12,527,940			0.00%	10.99%	N/A	N/A	N/A
InvestAmerica	1,757,733			0.00%	0.00%	1,760,703			0.00%	0.00%	-12.50%	N/A	N/A
Hearthstone MSII	1,994,213			15.36%	0.00%	2,379,785			5.06%	21.20%	28.98%	13.57%	N/A
Hearthstone MSIII	5,040,140			0.00%	0.00%	297,332			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	57,909,576	4.4%	5.0%	3.12%	0.26%	51,471,862	4.3%	5.0%	-0.68%	2.42%	-9.74%	-10.93%	4.40%
CASH EQUIVALENTS													
Northern Trust STIF/STEP	17,423,479	1.3%	2.0%	0.32%	0.09%	15,341,860	1.3%	2.0%	0.35%	0.67%	1.84%	3.33%	4.22%
<i>90 Day T-Bill</i>				0.26%	0.10%				0.25%	0.50%	1.52%	3.33%	4.07%
TOTAL FUND	1,323,018,668	100.0%	100.0%	10.25%	3.88%	1,203,432,040	100.0%	100.0%	4.70%	15.44%	2.28%	-4.66%	1.45%
POLICY TARGET BENCHMARK				9.68%	3.83%				4.21%	14.30%	1.63%	-6.15%	0.99%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.